

## **9-0300.00      SINGLE AUDIT ACT -- OMB CIRCULAR A-133**

### **9-0300.10      INTRODUCTION**

Most school districts receiving Federal assistance shall have financial and compliance audits on an annual basis. The Single Audit Act (OMB Circular A-133) provides for a uniform approach to the audit of all federal aid programs by establishing policies, procedures and guidelines. The single audits under the law must be performed using generally accepted government auditing standards by independent auditors using due professional care and accountability.

### **9-0300.20      FEATURES**

The Single Audit Act requires that:

- 1) School districts that spend more than \$300,000 per year in Federal financial assistance must have annual financial and compliance audits unless they perform such examinations on a biennial basis as required under State or local law; they may then continue that schedule.
- 2) School districts that spend less than \$300,000 of Federal financial assistance per year are not required by Federal regulations to have audits performed under a Federal requirement but are expected to retain accounting records so that Federal auditors can conduct audits if warranted.

### **9-0300.30      MONTANA AUDIT REQUIREMENTS**

Montana's audits requirements meet the requirements of the Single Audit Act.

Who is required to have an audit? Beginning with audits of FY 1991-92, each district with **over \$200,000** of total revenues (all funds) in a year is required to have an audit.

For those elementary and high school districts which are audited together, the revenues of both districts are combined to apply the criteria.

A district that spends **\$300,000 or more of Federal financial assistance** must have a single audit.

Districts with **less than \$200,000 total revenue, and \$300,000 or less of Federal financial assistance expenditures** will have a review (not audit) approximately every four years as requested by OPI and the Department of Administration.

[Section 2-7-503,MCA, 1991 Amendment]

## 9-0300.40      AUDIT REQUIREMENTS MATRIX

WHO IS REQUIRED TO HAVE AN AUDIT:

FEDERAL EXPENDITURES (Including USDA Commodities):	TOTAL REVENUES (ALL FUNDS):	TYPE OF AUDIT OR REVIEW REQUIRED:	COMMENTS:
Less than \$300,000	\$200,000 or less*	Review contracted auditor.	By Dept. of Administration or a  One year at a time, rotating 4-year schedule. OPI or Dept. of Administration will notify.  Basically, review of procedures, especially for revenues and expenditures.
	More than \$200,000*	Regular Audit (Also known as "Yellowbook Audit")	By contracted auditor (Dept. of Administration has standard contracts and a roster of authorized auditors).  Usually one year. May be for two years, if previously approved by Dept. of Administration.
\$300,000 or more		Single Audit (Also known as "Federal Audit" or "A-133 Audit")	By contracted auditor (Dept. of Administration has standard contracts and a roster of authorized auditors).  Usually one year. May be for two years, if approved by Dept. of Administration.
			Regular audit, plus some additional procedures to review and report on federal programs.

\* To estimate, sum all revenues in all funds except bond proceeds and transfers (Rev. code 5100, 5300, 9710).

Please call the GAAP accounting staff at 444-1257 if you have questions about audits.